

Old Age, Disability, Death

First laws: 1923 (railroads), 1934 (commerce), 1936 (industry).
Current laws: 1960, 1971 and 1975 (rural workers and employers), and 1991.

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 1.02 reais (R\$).

Coverage

Employed persons in industry, commerce, and agriculture, domestic servants, clerics, and self-employed.

Special systems for public employees and military.

Source of Funds

Insured person: 8%, 9%, or 10% of earnings according to 3 wage levels. Self-employed, 20% of earnings according to 10 wage levels and time spent at each wage level.

Employer: 20% of payroll.

Employers of domestic workers contribute 12% of payroll.

Government: Certain ear-marked taxes to finance administrative costs and defray deficits as well as contributions with respect to employees of state-owned enterprises.

Maximum earnings for employee contribution purposes: 8.54 times the minimum salary. For the highest wage level, R\$956.57 as of April 1997.

Minimum equals minimum wage. Employer contributions due on total payroll. Minimum wage was R\$112 a month as of April 1997. Above contributions also finance sickness and maternity benefits and family allowances.

Qualifying Conditions

Old-age pension: Urban employees: Age 65 (men) or 60 (women); rural employees: 60 (men) and 55 (women). 15-25 years in various types of arduous employment. Requires a minimum of 8 years of contributions (rises 6 months per year until the minimum coverage reaches 15 years of contributions in the year 2011).

Length-of-service pension payable after 30 years' service. Reduced benefit after 25 years of service.

Other special conditions for aircraft crews, journalists, veterans, and teachers. Retirement unnecessary.

Payable abroad by reciprocal agreement.

Disability pension: Permanent incapacity for work. Minimum of 12 months of contribution.

Survivor pension: Deceased was pensioner, or paid contributions during last 12 months before death.

Means-tested allowance: Needy persons over age 70.

Old-Age Benefits

Old-age pension: 70% of average earnings in last 36 months plus 1% of average earnings for each year of contribution, up to 100% of average earnings.

Length-of-service pension: 70% of average earnings plus 6% per year after 30 years of coverage, up to maximum of 100% of earnings. Proportionally reduced benefits payable to women with 25 years of coverage.

Schedule of payments: 13 payments per year.

Minimum benefit: 100% of minimum wage.

Maximum benefit: R\$956.57 (as of April 1997).

Adjustment: Pensions adjusted to changes in index that determines changes in minimum salary for the following month.

Permanent Disability Benefits

Disability pension: 100% of indexed earnings in last 36 months prior to onset of disability.

Minimum benefit: 100% of minimum wage.

Schedule of payments: 13 payments per year.

Adjustment: Pensions adjusted to changes in index that determines changes in minimum salary for the following month.

Survivor Benefits

Survivor pension: 100% of disability pension paid or payable to insured, or 100% of average of indexed earnings during 36 months prior to death of insured, regardless of number of eligible survivors. Divided equally among eligible survivors.

Eligible survivors (in order of priority): Widow, widower, companion, children under age 21 or disabled, stepchildren and dependent minors, parents, unmarried brothers and sisters under age 21 or disabled.

Schedule of payments: 13 payments per year.

Adjustment: Pensions adjusted to changes in index that determines changes in minimum salary for the following month.

Minimum benefit: 100% of minimum wage.

Maximum benefit: R\$956.57 as of April 1997.

Administrative Organization

Ministry of Social Security and Social Assistance (MPAS), general supervision.

National Social Security Institute (INSS), administration of benefits.

Sickness and Maternity

First laws: 1923 (railroads), 1934 (commerce), 1936 (industry).

Current laws: 1974 (maternity benefit) and 1976 (sickness and medical benefits), and 1988 (maternity under new Constitution).

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Employed persons in industry, commerce, domestic servants, and self-employed.

Special systems for public employees.

Source of Funds

Insured person: See pension contribution above.

Employer: Same, plus 1, 2 or 3% of payroll to finance work accident.

Government: Same.

Qualifying Conditions

Contributions by insured worker during last 12 months.

No minimum qualifying period for cash maternity benefits.

Sickness and Maternity Benefits

Sickness benefit: 91% of average earnings in last 36 months. Payable after 15-day waiting period (during which employer is required to pay full wage).

Schedule of payments: 13 payments a year if insured has been in payment status for more than 15 days.

Minimum benefit: 100% of minimum wage.

Maternity benefit: Full wage for 120 days: 28 days before and 91 days after giving birth (if miscarriage, 2 weeks).

Workers' Medical Benefits

Medical benefits: Medical services provided directly to patients, in both rural and urban areas. Includes general and specialist care; hospitalization; medicines (patient shares in cost of some); maternity care; dental care; and necessary transportation.

Duration: No limit.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for insured worker.

Administrative Organization

Ministry of Health, general supervision.

Unified System of Health (SUS), administration of cash benefits.

Permanent Disability Benefits

Permanent disability pension: 100% of covered earnings on day of accident.

Constant-attendance supplement: 25% of pension (no maximum if self-employed).

Accident benefit (partial disability): 50% of value of benefit.

Schedule of payments: 13 payments per year.

Workers' Medical Benefits

Medical benefits: Medical and dental treatment, hospital treatment, medicines, rehabilitation, and transportation.

Survivor Benefits

Survivor pension: 100% of covered earnings of deceased on day of accident. Divided equally among eligible survivors.

Eligible survivors: Same as for ordinary survivor pensions.

Schedule of payments: 13 payments per year.

Administrative Organization

Ministry of Social Security and Social Assistance (MPAS), general supervision.

National Social Security Institute (INSS), administration of cash benefits.

Unified System of Health (SUS), Ministry of Health, administration of medical benefits.

Work Injury

First laws: 1919, 1944, and 1967.

Current law: 1991.

Type of program: Social insurance system.

Coverage

Employed persons. Special systems for public employees and military.

Source of Funds

Insured person: None.

Employer: Whole cost, through premiums of 1%-3% of payroll according to degree of risk.

Government: None.

Maximum earnings for contribution and benefit purposes: R\$956.57.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Permanent disability: Total loss of capacity to work.

Accident benefit (partial disability): Unable to do work of usual occupation but capable of doing some other work.

Temporary Disability Benefits

Temporary disability benefit: 91% of average indexed earnings in last 36 months prior to accident. Payable after 15-day waiting period (during which labor laws require employer to pay full wages).

Schedule of payments: 13 monthly payments a year.

Unemployment

First law: 1965 (Compulsory savings program from the Length of Service Guaranty Fund).

Current laws: 1986 and 1990 (cash benefits).

Type of program: Social insurance system.

In addition, employees have access to savings account to which employers contribute 8% of earnings. Beneficiary has access in the event of unemployment, marriage, retirement, and other contingencies.

Coverage

Employed persons.

Source of Funds

Insured person: None.

Employer: None.

Government: Whole cost (proceeds from various ear-marked taxes).

Qualifying Conditions

Unemployment benefit: 36 months of coverage in last 4 years.

Unemployment not due to misconduct.

Beneficiary must lack other resources to support self or family.

Unemployment Benefits

Unemployment benefit (means-tested): 50% of average earnings in last 3 months of employment, up to 3 times minimum wage.

Minimum benefit: 100% of minimum wage.

Payable after 60-day waiting period, during 4 months in any 16-month period.

Administrative Organization

Ministry of Labor, general supervision.
Worker Assistance Fund, administration of program.

Family Allowances

First law: 1941 (large families only).
Current law: 1963.
Type of program: Employment-related system.

Coverage

Employees with 1 or more children except domestic employees.

Source of Funds

Insured person: See Old Age, Disability, Death, above.
Employer: See Old Age, Disability, Death, above.
Government: See Old Age, Disability, Death, above.

Qualifying Conditions

Family allowances: Child must be under age 14 or disabled. Parent must be currently working in job covered by social insurance or be pensioner or sickness benefit recipient. Payable to both parents if both insured.

Family Allowance Benefits

Family allowances: A set amount for each child. Payable monthly.

Administrative Organization

Ministry of Social Security and Social Assistance (MPAS), general supervision.